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# CITY OF POMONA COUNCIL REPORT

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October 18, 2021

To: Honorable Mayor and Members of the City Council

From: James Makshanoff, City Manager

Submitted By: Linda Matthews, Human Resources/Risk Management Director

**SUBJECT: ADOPTION OF RESOLUTIONS AMENDING COMPENSATION PLANS FOR EXECUTIVE GROUP A AND B EMPLOYEES AND MID-MANAGEMENT LIBRARY GROUP C-2 EMPLOYEES AND CITYWIDE SALARY SCHEDULE**

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## **RECOMMENDATION:**

It is recommended that the City Council adopt the following resolutions:

**RESOLUTION NO. 2021-146 – A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF POMONA, CALIFORNIA, AMENDING THE COMPENSATION PLAN FOR EXECUTIVE GROUP A AND B EMPLOYEES**

**RESOLUTION NO. 2021-144 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF POMONA, CALIFORNIA, AMENDING THE COMPENSATION PLAN FOR MID-MANAGEMENT LIBRARY GROUP C-2 EMPLOYEES**

**RESOLUTION NO. 2021-147 – A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF POMONA, CALIFORNIA, AMENDING THE CITY OF POMONA'S SALARY SCHEDULE FOR FISCAL YEAR 2021-22 TO MEET THE CALIFORNIA CODE OF REGULATIONS TITLE 2, SECTIONS 570.5 AND 571 TO REFLECT NEW SALARY RATES APPROVED AS A RESULT OF 2021 LABOR NEGOTIATIONS**

**EXECUTIVE SUMMARY:** Approval of the attached resolutions (Attachments 1 and 2) will implement similar terms and conditions of employment for unrepresented employee groups as were recently negotiated with represented employee groups for the period of October 1, 2021 through September 30, 2023. Said terms and conditions are described later in the report. Approval of the third resolution (Attachment 3) will amend the citywide salary schedule for FY 2021-22 to reflect the changes proposed herein and other salary increases as a result of recent labor negotiations adopted by City Council on October 4, 2021, and October 18, 2021.

**FISCAL IMPACT:** The estimated on-going incremental annualized cost for the amended compensation plans for Executive Group A and B employees and C-2 employees combined is \$231k for the first year of the agreement and \$242k for the second year of the agreement. Of these amounts, \$155k and \$140k are from the General Fund for the first and second years of the agreement, respectively. In addition, there are one-time payments of \$177k in Fiscal Year 2021-22, which will be funded by a combination of the American Rescue Funds, certain Non-General Fund and the General Fund. Necessary budget adjustments for FY 2021-22 will be presented to the City Council for approval as part of the first quarter budget report in November. In addition, the one-time costs will need to be added to the ARP expenditure plan. Future costs for this agreement will be budgeted for in the appropriate fiscal year.

## **DISCUSSION:**

Approval of this action will update the compensation plans for the unrepresented Executive Group A and B employees and Mid-Management Library Group C-2 employees. Executive Group A employees include the City Manager, City Clerk, Deputy City Managers, and Department Heads. The Police Chief and Deputy Police Chief are a subset of this group (A-3), and their salary and benefits typically mirror those of the Pomona Police Management Group. Group B employees include Division Manager and other high level staff positions such as Budget Officer. Benefits for the Mayor and City Council Members are also covered by the Executive Group A and B Plan. Group C-2 Employees include “Part-time Benefited” mid-management Library Employees (PBLE), which currently includes one authorized position of Library Supervisor. The terms and conditions for unrepresented employees are included in Compensation Plans and may be modified by the City Council at any time. The proposed plans implement similar terms and conditions to the applicable represented groups and are intended to cover the period of October 1, 2021 through September 30, 2023.

### **Executive Group A and B and Mid-Management Library C-2 Employees**

All terms described in this section will apply to the City Manager except those related to the percentage salary increases and leave buy back provisions, which are addressed specifically in his contract and will be reviewed as part of the annual evaluation process. All terms described below will apply to the City Clerk. The City Council receives the same Cafeteria Plan contributions as Executive employees and hence Cafeteria Plan provisions will apply to the Mayor and City Council Members.

The key terms for Executive Group A and B and Mid-Management Library C-2 employees are as follows:

**Salary Increase** – 2.5% salary increase effective October 1, 2021 and October 1, 2022 for non-sworn employees, including the City Clerk but not the City Manager; Group A-3 sworn employees will receive 3% effective October 1, 2021 and 2.5% effective October 1, 2022. Salary increases for the City Manager will be addressed separately at a different date pursuant to his contract.

**Medical Premiums and Section 125 Cafeteria Plan Contributions** – The Cafeteria Plan contribution for two-party coverage will increase by \$100 per month in December 2021 and again in December 2022. The Cafeteria Plan contributions for family coverage will increase by \$200 per month in

December 2021 and again in December 2022. Said increases will help offset the increasing costs of medical premiums, while still continuing to require employees to contribute toward two-party or family coverage for most plans.

One-time Payments – A one-time payment of \$5,000 will be provided on November 4, 2021 to all employees in a paid status in the pay period the payment is made. The Police Chief and Deputy Police Chief will receive a one-time payment of \$6,000, which is the same as other sworn employees. This payment is in recognition of the unique challenges associated with providing public service during the COVID-19 pandemic.

Holidays - Effective beginning calendar year 2022, the list of holidays observed shall be modified to add Juneteenth (June 19) and Cesar Chavez (March 31) and eliminate one (1) floating holiday.

Vacation Buy Back – Effective with the buyback opportunity in December 2022, employees will be able to buy back an additional 20 hours of vacation time and will need a minimum of 250 hours instead of 300 hours accrued to participate.

Bilingual Pay – For Group C-2 Library employees, remove the requirement that an employee pass probation to receive the bilingual pay. Group A and B employees are not eligible to receive bilingual pay.

Salary Step Progression – Employees hired by the City on or after January 1, 2022 in Group B and Group C-2 will be eligible to receive an increase to step 2 after 12 months of service instead of after 6 months of service. Group A employees are already on an annual schedule for merit increases so this change does not apply to them.

Contract Overtime – Group B employees assigned to the Police Department may earn paid overtime for working contract overtime where the City charges overtime rates to the contractor and there is no cost to the City (such as the Los Angeles County Fair and Winternationals), retroactive back to August 29, 2021.

Deferred Compensation – Group A-3 sworn employees shall receive a City contribution to deferred compensation of an additional \$50 per pay period effective October 24, 2021. This aligns with what was provided to employees in the Pomona Police Managers' Association, whose members promoted to the unit on or after July 1, 2011 are not eligible to receive the \$100 per month collateral retiree benefit offered to other sworn employees hired prior to July 1, 2011.

Salary Adjustment for Group A-3 Police Chief and Deputy Police Chief – Effective January 2, 2022, the salary range for these positions will be extended by 7.5%. This extension is a result of the addition of Step 6 to the salary scale for Police Captain (a difference of 5% above Step 5), which was negotiated to address compaction issues between the positions of Police Lieutenant and Police Captain. In addition, currently there is only 5% between the position of Police Captain and Deputy Police Chief, instead of the typical 10% to 20% between levels, so the additional 7.5% will help mitigate some, but not all, of the compaction issues between those two levels.

Educational Incentive Pay – The position of Deputy Police Chief is eligible to receive the same educational incentive premium as Police Management employees. This provision is being changed from \$200 to \$250 per month for possession of a Master’s Degree, doctor degree, or juris doctorate degree effective October 24, 2021.

Longevity Pay – The Deputy Police Chief is eligible to receive the same longevity pay as Police Management employees. The longevity provision was modified to include 2.5% longevity pay for 10 years of service and 5% longevity pay at 15 years of service. However, it should be noted that at the level of Police Chief, it is highly unlikely that a newly appointed incumbent would have less than 20 years of service and would already be eligible to receive longevity pay of 10%. As such, this change is not anticipated to have any actual impact on compensation for Deputy Police Chief.

In addition, other minor language changes are being made as follows: upon reclassification, employees will receive a one-step increase and the evaluation date shall be set to the reclassification date; modify accrual date of floating holidays to each January 1 instead of the pay period after January 1; clarify various part-time benefit language in the C-2 Plan; eliminate classification titles no longer needed; and delete obsolete language. The complete Compensation Plans are included in Attachments 1 and 2 and show all of the language changes, with new language underlined and old language shown with a strikethroughs.

### **Citywide Salary Schedule (Attachment 3)**

California Code of Regulations (“CCR”) Section 570.5 and amendments to 571(b) require a consolidated Salary Schedule be publically available which shows all City classifications and salary ranges for purposes of determining eligible salary compensation for retirement. The consolidated salary schedule must be adopted by the City Council even though the compensation changes for each bargaining unit and unrepresented group were previously approved by the City Council. Attachment 3 includes the resolution and Citywide salary schedule that reflects the salary changes approved herein, along with salary increases approved on October 4, 2021 and on October 18, 2021 concurrent with this item as a result of labor negotiations.

This action includes compensation changes for key executive employees. Pursuant to State law, approval of compensation changes for key executive employees must be accompanied by a verbal report; hence this item is being placed on the discussion calendar for consideration.

Prepared by: Linda Matthews, Human Resources/Risk Management Director

### **ATTACHMENT(S):**

Attachment No. 1 – Resolution No. 2021-146

Exhibit A – Compensation Plan for Executive Group A and B Employees

Attachment No. 2 – Resolution No. 2021-144

Exhibit A – Compensation Plan for Mid-Management Library Group C-2 Employees

Attachment No. 3 – Resolution No. 2021-147

Exhibit A – Compensation Plan for Part-time Management/Confidential Employees